

## § 1261.23

(c) *Prohibited payments.* A Bank shall not pay a director who regularly fails to attend board or committee meetings, and shall not pay fees to a director that do not reflect the director's performance of official Bank business conducted prior to the payment of such fees.

(d) *Submission requirements.* No later than the tenth business day after adopting its annual policy for director compensation and expenses, and at least 30 days prior to disbursing the first payment to any director, each Bank shall submit to the Director a copy of the policy, along with all studies or other supporting materials upon which the board relied in determining the level of compensation and expenses to pay to its directors.

## § 1261.23 Director disapproval.

The Director may determine, based upon his or her review of a Bank's director compensation policy, methodology and/or other related materials, that the compensation and/or expenses to be paid to the directors are not reasonable. In such case, the Director may order the Bank to refrain from making any further payments under that compensation policy. Any such order shall apply prospectively only and will not affect either compensation or expenses that have been earned but not yet paid or reimbursed or payments that had been made prior to the date of the Director's determination and order.

## § 1261.24 Board meetings.

(a) *Number of meetings.* The board of directors of each Bank shall hold as many meetings each year as necessary and appropriate to carry out its fiduciary responsibilities with respect to the effective oversight of Bank management and such other duties and obligations as may be imposed by applicable laws, provided the board of directors of a Bank must hold a minimum of six in-person meetings in any year.

(b) *Site of meetings.* The bank usually should hold board of director and committee meetings within the district served by the Bank. The Bank shall not hold board of director or committee meetings in any location that is not within the United States, including its possessions and territories.

## 12 CFR Ch. XII (1–1–14 Edition)

### Subpart D [Reserved]

## PART 1263—MEMBERS OF THE BANKS

### Subpart A—Definitions

Sec.

1263.1 Definitions.

### Subpart B—Membership Application Process

1263.2 Membership application requirements.

1263.3 Decision on application.

1263.4 Automatic membership.

1263.5 Appeals.

### Subpart C—Eligibility Requirements

1263.6 General eligibility requirements.

1263.7 Duly organized requirement.

1263.8 Subject to inspection and regulation requirement.

1263.9 Makes long-term home mortgage loans requirement.

1263.10 Ten percent requirement for certain insured depository institution applicants.

1263.11 Financial condition requirement for depository institutions and CDFI credit unions.

1263.12 Character of management requirement.

1263.13 Home financing policy requirement.

1263.14 De novo insured depository institution applicants.

1263.15 Recent merger or acquisition applicants.

1263.16 Financial condition requirement for insurance company and certain CDFI applicants.

1263.17 Rebuttable presumptions.

1263.18 Determination of appropriate Bank district for membership.

### Subpart D—Stock Requirements

1263.19 Par value and price of stock.

1263.20 Stock purchase.

1263.21 Issuance and form of stock.

1263.22 Adjustments in stock holdings.

1263.23 Excess stock.

### Subpart E—Consolidations Involving Members

1263.24 Consolidations involving members.

### Subpart F—Withdrawal and Removal from Membership

1263.25 [Reserved]

1263.26 Voluntary withdrawal from membership.